

to the \$80,000 needed. Organizer Anna Hoffman sat outside a local ShopRite with Janet Thatcher, Ruth Lincoln, Estelle Lokowsky, Josephine Knoblock, Linda Trimboth, Mabel Kauffman, and Grace Meyer, taking turns sitting at a table, collecting money.

Mr. Speaker, there are many women veterans who served valiantly and without regard for their own lives in both World Wars, Korea, Vietnam and the gulf war. Their efforts need to be acknowledged and honored.

The refurbished memorial was dedicated on September 14, 1997, to all Hunterdon County veterans. I thank each and everyone of these men and women who served our great Nation.

INTRODUCING THE DAVIS-BACON REPEAL ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. PAUL. Mr. Speaker, I rise today to introduce the Davis-Bacon Repeal Act of 1997. The Davis-Bacon Act of 1931 forces contractors on all federally-funded construction projects to pay the local prevailing wage, defined as "the wage paid to the majority of the laborers or mechanics in the classification on similar projects in the area." In practice, this usually means the wages paid by unionized contractors. For more than 60 years, this congressionally-created monstrosity has penalized taxpayers and the most efficient companies while crushing the dreams of the most willing workers. Mr. Speaker, Congress must act now to repeal this 61-year-old relic of the era during which people actually believed Congress could legislate prosperity. Americans pay a huge price in lost jobs, lost opportunities and tax-boosting cost overruns on Federal construction projects every day Congress allows Davis-Bacon to remain on the books.

Davis-Bacon artificially inflates construction costs through a series of costly work rules and requirements. For instances, under Davis-Bacon, workers who perform a variety of tasks must be paid at the highest applicable skilled journeyman rate. Thus, a general laborer who hammers a nail must now be classified as a carpenter, and paid as much as three times the company's regular rate. As a result of this, unskilled workers can be employed only if the company can afford to pay the Government-determined prevailing wages and training can be provided only through a highly regulated apprenticeship program. Some experts have estimated the costs of complying with Davis-Bacon regulations at nearly \$200 million a year. Of course, this doesn't measure the costs in lost jobs opportunities because firms could not afford to hire an inexperienced worker.

Most small construction firms cannot afford to operate under Davis-Bacon's rigid job classifications or hire the staff of lawyers and accountants needed to fill out the extensive paperwork required to bid on a Federal contract. Therefore, Davis-Bacon prevents small firms from bidding on Federal construction projects, which, unfortunately, constitute 20 percent of all construction projects in the United States.

Because most minority-owned construction firms are small companies, Davis-Bacon keeps minority-owned firms from competing

for Federal construction contracts. The resulting disparities in employment create a demand for affirmative action, another ill-suited and ill-advised Big Government program.

The racist effects of Davis-Bacon are no mere coincidence. In fact, many original supporters of Davis-Bacon, such as Representative Clayton Allgood, bragged about supporting Davis-Bacon as a means of keeping cheap colored labor out of the construction industry.

In addition to opening up new opportunities in the construction industry for small construction firms and their employees, repeal of Davis-Bacon would also return common sense and sound budgeting to Federal contracting, which is now rife with political favoritism and cronyism. An audit conducted earlier this year by the Labor Department's Office of the Inspector General found that an inaccurate data were frequently used in Davis-Bacon wage determination. Although the inspector general's report found no evidence of deliberate fraud, it did uncover material errors in five States' wage determinations, causing wages or fringe benefits for certain crafts to be overstated by as much as \$1.08 per hour.

The most compelling reason to repeal Davis-Bacon is to benefit the American taxpayer. The Davis-Bacon Act drives up the cost of Federal construction costs by as much as 50 percent. In fact, the Congressional Budget Office has reported that repealing Davis-Bacon would save the American taxpayer almost \$3 billion in 4 years.

Mr. Speaker, it is time to finally end this patently unfair, wildly inefficient and grossly discriminatory system of bidding on Federal construction contracts. Repealing the Davis-Bacon Act will save taxpayers billions of dollars on Federal construction costs, return common sense and sound budgeting to Federal contracting, and open up opportunities in the construction industry to those independent contractors, and their employees, who currently cannot bid on Federal projects because they cannot afford the paperwork requirements imposed by this Act. I therefore urge all my colleagues to join me in supporting the Davis-Bacon Repeal Act of 1997.

FOREIGN SPENDING

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to address the topic of foreign spending. While it is to our benefit to assist less fortunate countries, it is also important to ensure that taxpayer resources are well spent. I would like to share one opinion as written by Mr. Cory Flohr from Colorado.

"America must change the way it does business with regard to foreign assistance spending. For too long, our government has taken billions of dollars out of the pockets of the hardworking taxpayers of this country, only to squander it in far-off lands in an attempt to settle our national conscience. At best, the recipients have benefitted very little from our handouts. At worst, these people, who truly are in need of real assistance, have been left in a worse predicament than that in which they were found.

"As a nation of immigrants, America has a distinct interest in, and direct responsibility

to, the world outside of our borders. Not only do our ancestral ties often bind us emotionally to the well-being of our familial homelands, but our nation's economic, political, and military interests rely directly on the prosperity, stability, and security of the rest of the world. Furthermore, Americans are simply, and arguably, the most generous, compassionate, and "charitable people on Earth. It is just our nature to assist those in need.

"For these reasons, it is not surprising that the issue of foreign assistance can evoke strong feelings from a large portion of our population. Unfortunately, our prosperous nation learned long ago that we can quickly engage, if not solve, the world's problems by throwing money in the general direction of the source. The problem is that very few substantial and complicated problems can be effectively solved with cash alone. This is especially true of the afflictions most developing countries face which are driven by flawed national policies and which cannot be cured until meaningful policy changes are enacted from within.

"The unfortunate fact is, that although our country has dumped hundreds of billions of dollars overseas, the great majority of the recipient countries are no better off today, and in many cases worse off, than they were before. For example, of the 64 countries that have received U.S. foreign aid for 35 years or more, 41 have economies that have remained virtually the same or have deteriorated over the past three decades. Of those 41 countries, 21 of them are poorer today than they were thirty years ago.

"Now many people argue that while the economies of recipient countries may not have improved, their plight can be blamed on factors beyond their control—natural disasters, lack of natural resources, civil unrest, or colonial exploitation. These explanations would be enlightening if not for very significant contradictory examples from the past. Many of the world's richest countries, Japan for one, have virtually no natural resources. America, a former British colony, was torn apart by a devastating Civil War in the 1800's, yet managed to "generate massive economic growth both during, and after the war.

"The one thing, however, that all economic powerhouses have in common, and that all poor countries lack, is a policy of economic freedom. This concept is characterized by the ability of individuals to pursue their own economic desires with minimal governmental intervention and control, low barriers to trade, lowered taxes, limited regulatory burdens, high foreign investment, freedom of private property ownership, and access to competitive banking.

"No amount of government-to-government charity will ever create wealth, nor can it counteract the detrimental effects of repressive economic policies that do nothing but stifle productive output and discourage the creation of wealth. This is why, rather than continuing to send our bundles of cash overseas year after year, we should instead demand, demonstrate, and encourage those countries to begin implementing long-lasting, and self-sustaining economic reform. Unless, of course, our true goal is to play the role of global welfare provider, keeping recipient countries in a subservient role and dependent upon America's handouts.

"Many try to justify America's high level of foreign spending by arguing that, compared to the mammoth size of our overall federal budget, the expense is negligible. No amount of money taken out of the American taxpayer's pocket should ever be considered negligible, particularly when we are talking about \$12 to \$13 billion per year. There are simply too many hardworking families living paycheck to paycheck in this country for